Rockwell International Corporation and United Steelworkers of America, Local 8031. Cases 27-CA-6320 and 27-CA-6477

March 31, 1982

DECISION AND ORDER

By Members Fanning, Jenkins, and Zimmerman

On July 2, 1981, Administrative Law Judge David G. Heilbrun issued the attached Decision in this proceeding. Thereafter, the Union and the General Counsel filed exceptions and supporting briefs. Respondent filed a brief in support of the Decision.

Pursuant to the provisions of Section 3(b) of the National Labor Relations Act, as amended, the National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Board has considered the record and the attached Decision in light of the exceptions and briefs and has decided to affirm the rulings, findings, and conclusions of the Administrative Law Judge only to the extent consistent herewith.

The General Counsel alleges that Respondent violated Section 8(a)(5) and (1) of the Act by refusing to bargain with the Union prior to increasing in-plant cafeteria and vending machine prices on July 23 and December 3, 1979. For reasons discussed below, we shall reverse the Administrative Law Judge and find the alleged violations.

The facts are not in dispute. Respondent is engaged in the manufacture of nuclear weapon components at its Rocky Flats plant near Golden, Colorado. The location is remote and virtually all the employees use a main cafeteria, several smaller cafeterias, and vending machine areas for their shift meals and snacks. Food and cigarettes are supplied to Respondent's cafeterias and vending machines by ARA Food Service under a comprehensive written service contract.

The Union represents the approximately 1,800 production and maintenance employees at Respondent's plant. A collective-bargaining agreement, effective from October 1, 1978, to October 4, 1981, existed between the parties at the time of the complaint. This was the parties' second agreement. The earlier agreement, effective from 1975 to 1978, replaced an agreement between the Union and Dow Chemical Company, Respondent's predecessor at the Rocky Flats facility.

The current contract repeats verbatim the following provision contained in the two previous agreements:

260 NLRB No. 153

Article XVII—Duration

The Company and the Union acknowledge that during negotiations which resulted in this Labor Agreement, each party had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and arrangements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Union agrees that the Company may take the appropriate action concerning any matters not covered by this Agreement which involve the expeditious management of the Plant. If such actions effect a significant change in well-defined or long-established working conditions and are legally required subjects of collective bargaining, the Union may request negotiations on them.

With respect to any subject or matter not specifically referred to or covered in this Agreement which was within the knowledge of both parties at the time they negotiated or signed this Agreement, the parties agree that such subject or matter will not be the subject of negotiations during the term of this Agreement unless mutually agreed to by the parties or unless there is a change in working conditions as discussed above

Until the present controversy arose, the parties had never bargained about the provision of in-plant food services. James Kelly, servicing staff representative of the Steelworkers International, had believed that the Union had no legal right to request bargaining on this subject because two United States courts of appeals had ruled that cafeteria and vending machine prices were not mandatory subjects of bargaining.¹

In early July 1979, Respondent's personnel director, Bernard Wozniak, told Union President Leland Tallman that the price of coffee would be increased 5 cents per cup. Based on information from Kelly, Tallman notified Wozniak that under the Supreme Court's recent decision in Ford Motor Co. (Chicago Stamping Plant) v. N.L.R.B., 441 U.S. 488 (1979), Respondent was required to comply with the Union's request to bargain over any anticipated price increases in cafeteria items. Wozniak denied any knowledge of that case and of a duty to bargain. In a July 4, 1979, letter to Respondent, Tallman repeated his request for bargaining on "all

¹ McCall Corporation v. N.L.R.B., 432 F.2d 187 (4th Cir. 1970); N.L.R.B. v. Package Machinery Company, 457 F.2d 936 (1st Cir. 1972).

prices in the cafeteria and vending under A.R.A." On July 17, Respondent denied this request in a letter stating that, under the zipper clause in article XVII of the agreement, there had not been a change in working conditions and therefore no negotiations were warranted. In this same letter, it notified the Union that the change in coffee prices, which had been temporarily suspended following the Union's request for bargaining, would be effective July 23. This increase was followed by an approximately 10-percent across-the-board increase in the price of cafeteria and vending services unilaterally implemented on December 3, 1979.

The Administrative Law Judge found that Respondent had no duty to bargain over food price increases under the circumstances described and consequently did not violate the Act by refusing to bargain. In so finding, the Administrative Law Judge acknowledged that the court's opinion in Ford Motor Company established that the in-plant food prices at issue here are a mandatory subject of bargaining, but he reasoned that the zipper clause in article XVII of the contract constituted an effective waiver of the Union's right to request bargaining about cafeteria and vending machine prices for the duration of the contract.

The rationale expressed by the Administrative Law Judge in finding a contractual waiver by the Union runs directly contrary to well-established Federal labor law. An employer violates its duty to bargain under Section 8(d) of the Act when it unilaterally changes employment conditions without first giving the employees' collective-bargaining representative prior notice and adequate opportunity to negotiate, in the absence of certain circumstances excusing or justifying unilateral action.² The duty to bargain continues during the existence of a bargaining agreement concerning any mandatory subject of bargaining which has not been specifically covered in the contract and regarding which the union has not clearly and unmistakably waived its right to bargain.3 In fact, the Court's opinion in Ford Motor Company affirmed the Board's underlying finding that the respondent there violated Section 8(a)(5) of the Act by refusing to bargain about unilateral increases in food prices made during the terms of a collective-bargaining agreement which did not specifically cover the subject of those prices. 4

We find no support for the Administrative Law Judge's finding that the Union waived its right to bargain about in-plant food price increases during the term of the 1978-80 collective-bargaining agreement. On the contrary, by the plain language of article XVII of the agreement the Union has reserved the right to request negotiations upon such actions that "effect a significant change in well-defined or long-established working conditions and are legally required subjects of collective bargaining." We find that this reopener language on its face applies to the prices of in-plant food services which have been provided for at least 4 years and are mandatory subjects of bargaining.

Moreover, we find that, even assuming that article XVII does not operate as an express reservation by the Union of its right to demand bargaining over this mandatory subject of bargaining, it certainly does not amount to an express waiver of that statutory right. It is well established that such a waiver will not lightly be inferred in the absence of clear and unequivocal language. Such language is not present in this case. Thus, where, as here, an employer relies on a purported waiver to establish its freedom unilaterally to change terms and conditions of employment not contained in the contract, the matter at issue must have been fully discussed and consciously explored during negotiations and the union must have consciously yielded or clearly and unmistakably waived its interest in the matter.⁵ Regardless of whether the Union had knowledge before July 1979 of its right to demand bargaining on this subject, as the Union contends it did not, the subject of cafeteria and vending food prices was never discussed during the 1978 contract negotiations. We therefore find that the Union did not consciously yield its statutory right and that the language in article XVII does not amount to an effective waiver of the Union's right to request bargaining on changes in the in-plant food prices. 6

Accordingly, having found that Respondent had a continuous duty to bargain over the matter of increases in the in-plant food prices, we conclude that Respondent's refusal to bargain over the price increases on July 23 and December 3, 1979, violated Section 8(a)(5) and (1) of the Act.

² N.L.R.B. v. C & C Plywood Corp., 385 U.S. 421, 425 (1967); N.L.R.B. v. Katz, et al., 369 U.S. 736, 743 (1962).

³ N L Industries, Inc., 220 NLRB 41, 43 (1975), enfd. 536 F.2d 786 (8th Cir. 1976); The Jacobs Manufacturing Company, 94 NLRB 1214 (1951), enfd. 196 F.2d 680 (2d Cir. 1952).

^{*} Ford Motor Company (Chicago Stamping Plant), 230 NLRB 716 (1977). Waiver of the right to bargain was not an issue in that case We categorically disavow each implication in the Administrative Law Judge's Decision that the Court's opinion in Ford Motor Company modi-

fied or cast doubt upon the above-stated bargaining principles as applied to the subject of in-plant food service prices.

See Angelus Block Co., Inc., Amari, Inc., 250 NLRB 868, 877 (1980), and cases cited therein.

⁶ We do not find determinative, as Respondent contends, the fact that it was not until the approximately fifth increase in the in-plant food prices that the Union requested bargaining. It is well settled that even past failure to assert a statutory right does not estop subsequent assertion of that right. E.g., Peerless Publications, Inc. (Pottstown Mercury), 231 NLRB 244, 258 (1977), enforcement denied on other grounds 636 F.2d 550 (D.C. Cir. 1980).

CONCLUSIONS OF LAW

- 1. Respondent is an employer within the meaning of Section 2(2) of the Act, engaged in commerce within the meaning of Section 2(6) and (7) of the Act.
- 2. The Union is a labor organization within the meaning of Section 2(5) of the Act representing a unit of all production and maintenance employees at Respondent's plant in Golden, Colorado.
- 3. Respondent and the Union have at all material times been parties to a collective-bargaining agreement covering the employees in the above-described unit.
- 4. By refusing, on and since July 23 and on and since December 3, 1979, to bargain collectively with the Union as the exclusive representative of its employees in the aforesaid bargaining unit concerning in-plant vending machine and cafeteria price changes made on those two dates, Respondent has engaged in and is engaging in unfair labor practices within the meaning of Section 8(a)(1) and (5) of the Act.
- 5. The aforesaid unfair labor practices affect commerce within the meaning of Section 2(6) and (7) of the Act.

THE REMEDY

Having found that Respondent has unlawfully refused to bargain with the Union concerning changes in cafeteria and vending food prices, we shall order that it cease and desist therefrom and take certain affirmative action to effectuate the policies of the Act. Although the Union has requested an order rescinding the July 23 and December 3, 1979, price increases, the Board has consistently held, as in Westinghouse Electric Corporation, 156 NLRB 1080, 1081 (1966), enforcement denied on other grounds 387 F.2d 542 (4th Cir. 1967), that "[i]t is sufficient compliance with the statutory mandate . . . if management honors a specific union request for bargaining about changes made or to be made." Accordingly, our Order will not require Respondent to bargain about every proposed price change in food prices before putting such change in effect. We will require Respondent to bargain only about such price changes which are determined unilaterally and then only upon a request by the Union.

ORDER

Pursuant to Section 10(c) of the National Labor Relations Act, as amended, the National Labor Relations Board hereby orders that the Respondent, Rockwell International Corporation, Golden, Colorado, its officers, agents, successors, and assigns, shall:

- 1. Cease and desist from:
- (a) Refusing, upon request, to bargain collectively with United Steelworkers of America, Local 8031, as the exclusive bargaining representative of a unit of all its production and maintenance employees at its Golden, Colorado, plant with respect to changes in food prices in the vending machines and cafeterias.
- (b) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them in Section 7 of the Act.
- 2. Take the following affirmative action which the Board finds will effectuate the policies of the Act:
- (a) Upon request, bargain with the above-named labor organization as the exclusive representative of all employees in the aforesaid appropriate unit with respect to any changes, now in effect or hereafter made or proposed, in food prices charged in the vending machines and cafeterias.
- (b) Post at its plant in Golden, Colorado, copies of the attached notice marked "Appendix." Copies of said notice, on forms provided by the Regional Director for Region 27, after being duly signed by Respondent's representative, shall be posted by Respondent immediately upon receipt thereof, and be maintained by it for 60 consecutive days thereafter, in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps shall be taken by Respondent to insure that said notices are not altered, defaced, or covered by any other material.
- (c) Notify the Regional Director for Region 27, in writing, within 20 days from the date of this Order, what steps Respondent has taken to comply herewith.

APPENDIX

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government

After a hearing at which all sides had an opportunity to present evidence and state their positions, the National Labor Relations Board found that we have violated the National Labor Relations Act, as amended, and has ordered us to post this notice.

⁷ In the event that this Order is enforced by a Judgment of a United States Court of Appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

WE WILL NOT refuse to bargain collectively with United Steelworkers of America, Local 8031, as the exclusive representative of our employees in the bargaining unit of all production and maintenance employees at our Golden, Colorado, plant with respect to changes in food prices in the vending machines and cafeterias.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce our employees in the exercise of the rights guaranteed them by Section 7 of the Act.

WE WILL, upon request, bargain collectively with the above-named Union as the exclusive representative of all our employees in the aforesaid unit with respect to changes, now in effect or hereafter made or proposed, in food prices charged our employees in the vending machines and cafeterias.

ROCKWELL INTERNATIONAL CORPORATION

DECISION

STATEMENT OF THE CASE

DAVID G. HEILBRUN, Administrative Law Judge: This case was heard at Denver, Colorado, on March 10, 1981, based on a consolidated complaint alleging that Rockwell International Corporation, herein called Respondent, violated Section 8(a)(1) and (5) of the Act by refusing to bargain with United Steelworkers of America, Local 8031, herein called the Union, about a decision to increase cafeteria prices and by later unilaterally increasing such cafeteria prices.

Upon the entire record, my observation of witnesses, and consideration of post-hearing briefs filed by the General Counsel and the Union as well as oral summation made at the close of hearing by Respondent, I make the following:

FINDINGS OF FACT AND RESULTANT CONCLUSION OF LAW

Respondent employs approximately 3,750 persons at its Rocky Flats plant near Golden, Colorado, with approximately 1,800 of these represented by the Union in a production and maintenance unit. The location is remote and virtually all employees utilize a main cafeteria, several smaller "cafeteens," and vending machine areas for their shift meal or for snacks. A collective-bargaining agreement, effective from October 1, 1978, to October 4, 1981, exists between the parties. This is the second complete agreement they have had, although the predecessor

document spanning 1975-78 was negotiated in replacement of a still earlier contract that Dow Chemical Company, the former employer at this site, and the Union had and which but for the substitution would have run to 1976. The current contract includes the following provisions germane to this case:

Article VII—Premium Pay Provisions

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SECTION 5. Overtime Meals

A. The Company shall provide to any employee who is requested to and does work in excess of ten consecutive hours after the start of his regularly scheduled hours, and every four hours of work thereafter, with a choice of a meal or to stay on the job and be paid \$2.50 in lieu of the meal.

Article XVI—Savings Clause

Should any part hereof or provision herein be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect.

It is further agreed that the Company and Union shall meet to resolve these portions thus invalidated.

Article XVII—Duration

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The Company and the Union acknowledge that during negotiations which resulted in this Labor Agreement, each party had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and arrangements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Union agrees that the Company may take the appropriate action concerning any matters not covered by this Agreement which involve the expeditious management of the Plant. If such actions effect a significant change in well-defined or longestablished working conditions and are legally required subjects of collective bargaining, the Union may request negotiations on them.

With respect to any subject or matter not specifically referred to or covered in this Agreement which was within the knowledge of both parties at the time they negotiated or signed this Agreement, the parties agree that such subject or matter will not be the subject of negotiations during the term of this Agreement unless mutually agreed to by the

¹ The facility produces nuclear weapons components under an operating contract with the United States Department of Energy, and Respondent annually derives in excess of \$50,000 for performance of its services. On these admitted facts I find Respondent to be an employer engaged in commerce within the meaning of Sec. 2(6) and (7) of the Act, and otherwise that the Union is a labor organization within the meaning of Sec. 2(5)

parties or unless there is a change in working conditions as discussed above. . . .

Food and cigarettes are supplied to Respondent's cafeteria and vending machine facility by ARA Food Services under a comprehensive written service contract. Cafeteria prices to employees were a reflection of ARA's profit objectives under this contract, while Respondent augmented the general phenomenon of making food available to employees on the premises by an annual subsidy that was estimated to have gradually risen from \$150,000 to \$270,000 over the years 1975-80.

In early July 1979 Union President Leland Tallman was verbally informed by Wozniak that the price of coffee would be increased 5 cents. At this point in time Tallman had but recently been told by James Kelly, servicing staff representative of the Steelworkers International, that the United States Supreme Court's recent decision in Ford Motor Company (Chicago Stamping Plant) v. N.L.R.B., 441 U.S. 488 (1979), empowered the Union to request bargaining on anticipated price rises in cafeteria items. Kelly in turn had up to then understood from Bureau of National Affairs (BNA) reports of past years that certain United States Courts of Appeals decisions had excluded cafeteria prices as a mandatory subject for bargaining. In this context Tallman responded to Wozniak's advice by referring to the Ford case, testifying that the latter only admitted awareness but not familiarity with it. Tallman wrote to Wozniak on July 5, 1979, and was answered on July 17 in the following respective exchange of correspondence:

In regards to the pricing of all cafeteria and vending items. It is the position of the United Steelworkers of America Local 8031, based on a decision of the U. S. Supreme Court and Art. XVI of the Labor Agreement that all pricing is now a negotiated item. The Union at this time is ready to sit down and negotiate all prices in the cafeteria and vending under A R A.

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The Company has given consideration to your request that we negotiate all cafeteria and vending prices. You have indicated that the Company's obligation is established by Article XVI of the Labor Agreement and a decision of the Supreme Court, presumably Ford Motor vs. N.L.R.B.

The Company does not agree that either Article XVI or the Ford decision create an obligation to negotiate vending or cafeteria prices at this juncture. It feels that Article XVII of the Labor Agreement expresses the obligations of the Company and the Union to live with the bargained Agreement for the stated duration. The Company does not feel that there has been a change in working conditions which warrants bargaining and does not agree to

open negotiations on cafeteria and vending prices as requested by the Union.

Also, please consider this as notification that the Company is implementing the 5 cent per cup price increase for coffee in cafeterias and vending machines effective July 23, 1979. This increase is the one that was originally scheduled for July 9, 1979 but was suspended due to your expressed concerns.

The July increase in coffee price was effectuated, and later in the year further increases to the price of several items occurred in keeping with the following letter of Wozniak to Tallman dated November 27, 1979:

In view of the increased costs of food and labor since the last increase in October 1978, it is necessary for the Company to increase the prices of cafeteria and vending services. This increase will be implemented on December 3, 1979 and represents approximately a 10% across-the-board increase.

The attached sheets detail the specific price increases for both cafeteria services and vending machines.

The initiating unfair labor practice charge was soon filed. Procedurally the dispute was first deferred for arbitration, and when this proved inconclusive it was finally docketed for hearing. As such time passed the parties dealt further with the subject of constantly rising food costs in a series of meetings and discussions spanning mid-1980-early 1981. In view of the holding I reach on the basic merits of the complaint it is unnecessary to describe this phase in any detail.

Ford, supra, is readily conceded as the touchstone of this case. In that holding the Court's main opinion traced legislative history and statutory construction in the area of mandatory bargaining subjects, holding that no infirmity was present in the Board's view that "in-plant food prices and services" are such subjects. In its reviewing process the Court observed that the topic is germane to the working environment, that the trend in labor contracts is to expressly deal with the subject, that it illustrates a potentially typical dispute best "funneled" into collective bargaining, and that assumptions of national labor policy are that "constantly shifting food prices can be anticipated and provided for" by negotiations with "more, not less, collective bargaining" as the remedy for any heightened frequency and intensity of such disputes.

In contentions joined and relied upon by the Union, the General Counsel argues fundamentally that Ford envisions a "continuing nature" to the collective-bargaining process in this area, and that no conscious waiver had ever stripped the Union of its right to midterm bargaining on the subject. Respondent's principal contention is that Ford is silent as to "timing" of such bargaining, and cannot be read as to destabilize the 1978-81 contract in view of its definitive article XVII language.

I favor Respondent's view of the issue. It is first noteworthy in *Ford* that the Court declines to make any connection between the general theme of in-plant food prices being a mandatory subject for bargaining and the existence or content of an applicable collective-bargain-

² The document itself is part of this record only as a rejected exhibit. Its highlights and effectiveness are shown in the testimony of the present personnel director, Bernard Wozniak.

ing agreement. The entire holding is keyed to the fundamental point of whether something as arguable as the price paid by employees for the food they eat while happening to be at work is a term and condition of employment within the meaning of Section 8(d). In reaching its Ford decision the Court ranged over numerous factual points of the case, including that "very few" of the 3,600 workers left the plant to eat, that among those who brought food spoilage and vermin were problems, and that employee concern with food pricing was so pronounced that over half had participated in a short boycott of the service.

To comprehend what the Court held it is necessary to first look back at the decision appealed from. Here, in Ford Motor Company v. N.L.R.B., 571 F.2d 993 (7th Cir. 1978), the court of appeals pointedly noted a "local agreement" had been in effect from June 20, 1974, through September 1976. It expressly provided for both cafeteria and vending services continuing a written recognition between the parties at the local level as to quality of catering operations that had originated in 1967. This is essentially the same information as may be gleaned from the underlying Board decision in Ford Motor Company, 230 NLRB 716 (1977). What must be emphasized is that local agreements of the type found in Ford are but spinoffs of national agreements reached periodically in the auto industry between corporate bargainers and the International Union, UAW. See Ford Motor Company (Romeo Tractor & Equipment Plant), 222 NLRB 855 (1976). Reconstructing the period in which the Supreme Court decided Ford it is seen that the national agreement then in effect ran from November 19, 1973, to September 14, 1976. See Ford Motor Company (Rouge Complex), 233 NLRB 698 at 703; Local 600 (UAW) (Dearborn Stamping Plant of Ford Motor Co.), 225 NLRB 1299 at 1303 (1976); Ford Motor Company, 221 NLRB 663 at 665 (1975). Thus the local agreement for the Chicago Stamping Plant openly dealt with the very subject which could not successfully be avoided when a mid-term bargaining request ensued. That is the critical distinction in Ford, and it is one which compels a holding that article XVII here is of such resolute clarity that it must be given "meaning and effect." These are the words of Radioear Corporation, 214 NLRB 362 (1974), in which the Board weighed the several factors to be considered when a "zipper" clause is claimed to be a waiver of any continuing right to bargain. Here the wording of article XVII is precise. There was never a proposal made as to prices when the contract was under negotiation, the document was fully integrated as an extensive collective-bargaining agreement, and there are no side practices that would cast doubt on whether a waiver occurred.³

Were this not enough there are two intriguing footnotes in Ford that give greater weight to reasoning toward dismissal. Footnote 10 of the main opinion emphasizes that the Court holds as it does only because the in-plant food services already exist. This tends to highlight the Court's incessant return to the practical fact that to work is to eat and this reality should have an appropriate place in the labor-management scheme. Secondly footnote 15 analogizes in-plant food services to health insurance, and makes the significant point that such a benefit is not conveniently changed "during the term of the contract."

The teaching of Ford does not therefore supersede ordinary waiver principles which are here so compellingly to be applied. Article XVII could hardly state with greater impact than that each party was knowingly satisfied with the scope of subjects raised for the contract term about to commence and the parties could confidently launch into that period with the stability that collective-bargaining agreements are designed to ensure. The short answer to Kelly's description of having been mesmerized by what the Fourth and First Circuit Court of Appeals were doing in McCall Corporation v. N.L.R.B., 432 F.2d 267 (4th Cir. 1970), and Package Machinery Co. v. N.L.R.B., 457 F.2d 936 (1st Cir. 1972), is that subsequent to this the Board, in the underlying Ford case, expressly reaffirmed its view on July 11, 1977, long before negotiations even started for the current agreement and in language that could hardly be misunderstood. It corrected an administrative law judge's "error" in himself being swayed by decisions among the circuits, and wrote ". . . we adhere to our position that cafeteria and vending machine prices are a mandatory subject of bargaining."

[Recommended Order for dismissal omitted from publication.]

³ I do not, however, adopt Respondent's argument that treatment of overtime meals or an "in lieu" stipend, as such matters are expressed in art. VII, bears any relationship to the essential issue. Such a provision deals with the extraordinary, while the salient subject of cafeteria and vending machine food and pricing is an ongoing, daily matter of employee concern.